

EXHIBIT 29

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THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

6201 College Boulevard • Overland Park, Kansas 66211-2422 • Telephone 913/339-1906

MEMORANDUM

April 4, 1990

TO: Special Committee on Cost Reduction.

SUBJECT: Committee Report and Additional Commentary.

Attached is a copy of the final Cost Reduction Committee report as submitted to the NCAA Presidents Commission and NCAA Council. Please remember that the contents of the report are to remain confidential until after the April 23-25 Council meeting.

Since the special committee's February 28 meeting, we have received several letters in response to Gene Corrigan's recent memorandum requesting sports committees' and member conferences' comments concerning the special committee's preliminary recommendations. Copies of that correspondence are attached for your information and review. We will forward any additional letters to you as they are received.

Our esteemed committee chair will be appearing before the NCAA Presidents Commission during its April 4-5 meeting in Washington, D.C., to present the committee's report, and the Council will receive the same information during its April 23-25 meeting in Kansas City.

In the meantime, should you have questions or if Steve Mallonee, John Leavens or I can be of assistance, please do not hesitate to call.

MERRILY DEAN BAKER
Assistant Executive Director

MDB:ls

Attachments

cc: ✓ Mr. John H. Leavens
Mr. Stephen A. Mallonee

PRESIDENT
ALBERT M. WITTE
Professor of Law and Faculty
Athletics Representative
University of Arkansas
Fayetteville, Arkansas 72701

SECRETARY-TREASURER
JUDITH M. SWEET
Director of Athletics
University of California,
San Diego
La Jolla, California 92093

DIVISION I VICE-PRESIDENT
B. J. SKELTON
Dean, Admissions and
Registration
Clemson University
Clemson, South Carolina
29634-4010

DIVISION II VICE-PRESIDENT
JERRY M. HUGHES
Director of Athletics
Central Missouri State University
Warrensburg, Missouri 64093

DIVISION III VICE-PRESIDENT
ROCCO J. CARZO
Director of Athletics
Tufts University
Medford, Massachusetts 02155

EXECUTIVE DIRECTOR
RICHARD D. SCHULTZ

1456

REPORT OF THE NCAA SPECIAL COMMITTEE ON COST REDUCTION

The Special Committee on Cost Reduction was established by resolution of the 1989 NCAA Convention, with the specific charge of recommending means by which to reduce costs in intercollegiate athletics, without denying students access to higher education or significantly altering the competitive balance among NCAA member institutions.

Early in its deliberations, the committee identified three general areas of concentration -- recruiting, competitive policies and financial aid -- and surveyed the entire NCAA membership concerning various proposals and the level of cuts that would be deemed viable. With that information in hand, the committee began to formulate a comprehensive legislative package. In doing so, committee members recognized that in order for the package to be acceptable, its impact should be felt as nearly evenly as possible among institutions in a particular division and without singling out particular sports.

It is the committee's position that the following components, taken individually and collectively, provide substantial opportunities to reduce costs in the operation of intercollegiate athletics programs. Because these reductions will contribute to the financial stability of intercollegiate athletics programs without requiring that financial assistance for any individual student-athlete be diminished, the committee also believes that these reductions should enhance overall participation by helping institutions sustain broad-based athletics programs and thereby preserve access for those student-athletes receiving financial aid. Further, it is the committee's view that these recommendations, if implemented across the board, will not adversely affect the competitive balance among member institutions.

Moreover, these proposals contribute significantly to the Association's broader effort to enact fundamental reform. Specifically, it is the committee's position that, in addition to affording opportunities for cost savings, these recommendations will:

1. Provide institutions the means by which to operate affordable sports programs that are broad based and comprehensive;
2. Reduce time demands on student-athletes and increase involvement in other aspects of college life;
3. Reduce pressures on prospective student-athletes and coaches during the recruitment process, and
4. Further reconcile the activities of intercollegiate athletics with member institutions' fundamental values and educational missions.

The following proposals represent the committee's recommendations for reducing costs in a member institution's intercollegiate athletics program. Proposals are indicated in bold print and are accompanied by a general rationale statement. Subsequent to review by the NCAA Presidents Commission and Council, the committee recommended the development of a sample model to assist each member institution in determining the amount of savings within its athletics program as a result of the adoption of the committee's proposals.

DIVISIONS I-A, I-AA, I-AAA AND II RECOMMENDATIONS

PART ONE -- Recruiting

The area of recruiting has been examined carefully by the committee due to the sharp escalation in expenditures for each recruited student-athlete in recent years (especially in the sports of Division I football and basketball), the time pressures placed on coaches and prospects, and the substantial abuses associated with the recruitment process. The committee's proposals in the area of recruiting have been grouped into the following categories: (1) off-campus recruiting; (2) off-campus contacts and evaluations; (3) official visits, and (4) printed recruiting materials.

1. Off-Campus Recruiting.

- a. Placing a limit of seven on the number of full-time football coaches (including the head coach) who can recruit off campus.
- b. Placing a limit of two on the number of full-time basketball coaches who can recruit off campus at any one time.
- c. Placing a limit of two on the number of coaches who can recruit off campus at any one time in all other head-count sports.
- d. Placing a limit of two on the number of coaches who can recruit off campus at any one time in equivalency sports that provide the value of 10 or more financial aid grants.
- e. Placing a limit of one on the number of coaches who can recruit off campus at any one time in equivalency sports that provide less than the value of 10 financial aid grants.

Rationale: These proposals will reduce costs and, at the same time, allow coaching staff members to remain at home during examination periods and other key periods during the academic year. In the sport of football, each staff member who may recruit off campus would be designated prior to the beginning of each academic year. As a result, football coaches could perform duties in other areas (e.g., strength and conditioning, academic support) that might otherwise require additional staffing.

In sports other than football, more flexibility is necessary, inasmuch as there are fewer coaching positions in those sports. Thus, in the sport of basketball, all three coaches may recruit off campus, but only two coaches may be recruiting off the member institution's campus at any one time. Also, limitations in sports other than football and basketball would be established for the first time. In general, these sports' recruiting efforts are determined more by budgetary restrictions than by efforts to "keep up with the Joneses"; however, such restrictions (especially in the sports that provide fewer financial aid grants) should result in cost savings for the institution.

2. Contacts and Evaluations.

- a. Restricting institutions to a limit of three off-campus contacts with a prospective student-athlete at any site. In addition, the institution may visit a prospect's educational institution on no more than one occasion during a particular week, regardless of the total number of prospects enrolled in that institution. Please note

REPORT OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 2

that per its January 9, 1989, telephone conference, the NCAA Interpretations Committee decided that during the permissible contact period, institutional representatives in a particular sport are permitted to visit the prospect's educational institution one time per week during the contact period. If a prospect is a multisport athlete, all institutional representatives are permitted only one visit per week on the same date at the prospect's educational institution. If, however, there are two prospects being recruited by the same member institution in two different sports, it would be permissible for institutional representatives to visit the prospect's educational institution on two days during the same week, it being understood that only one of the two prospects is contacted on each occasion.

- b. Limiting to once a week the number of visits an institution may make to a prospect's educational institution during an evaluation period in addition to the current once-a-week-visit limitation during the contact period. [NOTE: See Interpretations Committee's decision for previous item.]
- c. Prohibiting telephone calls from enrolled student-athletes to prospects for purposes of recruiting.
- d. Prohibiting telephone calls from institutional staff members to prospects until the end of the prospect's junior year. In addition, subsequent to the completion of the prospect's junior year, a member institution may telephone the prospect no more than once a week.
- e. Placing a limit of four on the number of practices and competitions (combined) that can be observed in team sports other than football and basketball. In addition, the committee recommended a resolution to study limitations on the number of practices and competitions that can be observed in individual sports.
- f. Establishing a 48-hour dead period prior to and subsequent to the initial signing date for the National Letter of Intent in all sports except football.

Rationale: These proposals would result in cost savings for a member institution by reducing in half the present number of allowable off-campus contacts, limiting the time period for telephone calls and limiting the number of practices and competition that can be observed in team sports other than football and basketball. These proposals also should reduce, in large degree, the demeaning aspect of recruiting. Also, secondary educational institutions should appreciate fewer interruptions in the academic life of the prospect. Limitations on observations would reduce the competitive advantage that now exists in institutions located in heavily populated areas.

1459

REPORT OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 3

3. Official Visits.

- a. Reducing to four the total number of official visits that may be taken by a prospect.
- b. Reducing from 85 to 70 the total number of official visits an institution may provide to prospects in the sport of football.
- c. Reducing from 18 to 15 the total number of official visits an institution may provide to prospects in the sport of basketball.

Rationale: It is the committee's view that most prospects do not utilize the allotted five visits. Further, those prospects that utilize the five visits oftentimes visit institutions strictly for pleasure with no intention of attending the institution. This reduction will force the prospect to effectively evaluate his or her choice of institutions before taking an official visit. In addition, the reduction of official visits in the sports of football and basketball will force coaches to more effectively evaluate whether the prospect should be brought to campus.

4. Printed Recruiting Materials.

- a. Prohibiting institutions from providing recruiting materials to a prospect (including general correspondence related to athletics) until the beginning of the prospect's junior year in high school.
- b. Establishing restrictions on institutional athletics publications that would limit institutions to producing only one publication per sport (i.e., recruiting brochure or media guide, but not both) in addition to game programs.
- c. Prohibiting institutions from sending prospects greeting cards and/or specialized post cards. [NOTE: It would be permissible to send a regular 15-cent post card that does not include pictures of the institution's department of athletics personnel or enrolled student-athletes, or any other information or material designed to serve as a recruiting promotion.]
- d. Establishing restrictions on institutional athletics publications that would limit to one color the printing on standard stationery utilized by that institution. Such stationery could include athletics department stationery with name, address, telephone number of staff member and single university logo, but photographs of enrolled student-athletes or any other promotional material would be prohibited. [NOTE: The one-color restriction would not include the color of the type of writing on such stationery.]
- e. Establishing restrictions on institutional athletics publications that would limit to one color the printing on the standard press release.

1460

REPORT OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 4

- f. Limiting institutions to producing one generic all-sports recruiting videotape per year with a maximum of three minutes per each sport. [NOTE: Highlight films would not be considered a permissible recruiting item to provide to prospects, but would not otherwise be restricted.]
- g. Prohibiting personalized recruiting videotapes or audio tapes.

Rationale: The proposals restricting printed recruiting materials would reduce both printing and mailing costs. The savings in this area for some institutions would be substantial. Both the recruiting brochures and media guides are expensive, both to produce and circulate. Excess has been the rule (rather than the exception) in the area of recruiting, particularly in terms of greeting cards, birthday cards and multicolored single-sport cards. It also is common for stationery and standard press releases utilized for recruiting to include four-color photographs, two-color and four-color print. In addition, in recent years there has been a proliferation of single-sport recruiting videotapes, as well as videotapes personalized for a particular prospect. The committee's recommendations would bring a little common sense to the area of recruiting, resulting in savings for the institution and also eliminating the pressure for institutions not currently engaged in such practices to begin using such printed recruiting materials in order to remain competitive with other institutions.

5. Additional Recommendations.

Recommend to the Collegiate Commissioners Association (CCA) the establishment of early signing dates for the National Letter of Intent in all sports. The committee recommended to Fred Jacoby that the CCA examine the possibility of establishing an early eight-day signing period in January in sports other than football and basketball.

[NOTE: At a recent meeting, the National Letter of Intent Board approved a recommendation to allow a seven-day signing period in November to coincide with the basketball signing dates for all sports except football, women's volleyball, and men's and women's soccer.]

PART TWO -- Competitive Policies

There are a variety of activities in which changes can be made that will reduce institutional costs for the operation of athletics programs. In many of these, the "Principle Governing the Economy of Athletics Program Operation" can be applied effectively only when parameters are established that promote the "Principle of Competitive Equity." Therefore, the committee recommends a number of changes designed to reduce costs by modifying practices governed by competitive policies.

1. Establishing coaching limitations in all sports (see Attachment No. 1.)

Rationale: The largest expense item in the athletics budget is personnel. Currently, only football and basketball have limits on the number

REPORT OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 5

of coaches who may be employed, and the existing categorical designations of part-time graduate student and volunteer coach have not been effective in reducing the number of full-time paid employees associated with the sport. In addition, the committee recognizes the recent proliferation of part-time personnel associated with many Division I sports. Proposed limitations reflect an effort to (1) reduce the number of coaches associated with each sport by at least one full-time equivalent position; (2) establish an "unrestricted" head or assistant coach category that will accommodate any type of volunteer, paid, full-time or part-time coach, and (3) establish a "restricted-earnings" category that will encourage the development of new coaches while more effectively limiting compensation to such coaches.

2. Establishing September 15 as the date an institution may participate in its first contest (in all sports other than football). [NOTE: Proposed effective date August 1, 1992.]

Rationale: Housing and feeding teams who come to campus prior to the start of classes for the regular fall term is a considerable expense. By establishing September 15 as the earliest date an institution may participate in its first contest (in all sports except football) and limiting each sport to no more than 21 practice opportunities prior to its first contest (see next proposal), institutions that begin their first academic term in August or early September will not have to incur the extra room-and-board expense of early arriving teams. In most instances, the first permissible date of practice will occur when dormitories are already open for all students.

Football is excluded because reducing the length of an already compact season in which no more than one game per week is played would create significant scheduling difficulties and allow no open dates for recovery from the demands of a grueling contact sport.

The 1992 effective date reflects recognition of the fact that most institutions already have completed their 1991 fall sport schedules.

3. Establishing 21 practice opportunities in all sports except football and women's volleyball. In the sports of football and women's volleyball, the current restriction of 29 opportunities will remain in effect. [NOTE: Proposed effective date is August 1, 1992.]

Rationale: Limiting each sport to 21 practice opportunities prior to the first scheduled contest ensures that all teams have the same preparation time, thereby establishing a level playing field. In addition, coupling the practice limitation with a September 15 first-contest date significantly reduces the number of institutions that will have to assemble teams for preseason practice prior to the start of classes in the fall term. Even an institution that begins classes in late September will realize a cost savings because the lengths of its preseason practices will be reduced.

REPORTS OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 6

The 1992 effective date reflects recognition of the fact that most institutions already have completed their 1991 fall sport schedules.

4. Establishing limits on regular-season team travel that would prohibit team departure earlier than 36 hours prior to competition and limiting to 36 hours the time period the institution may remain in the area after the competition.

Rationale: Currently there are no NCAA rules governing departure times for contests. The current limit for remaining at any site following a contest is 48 hours. Imposing a departure restriction prior to competition and further reducing the number of hours permitted at an away-from-home site after a contest will save travel costs and decrease the number of missed classes.

5. Prohibiting athletics training-table benefits. [NOTE: It would be permissible for an institution to provide a meal (comparable to the meal served to all students) in the institution's dining facility or the cost of such a meal to those student-athletes who miss meals due to participating in a practice session.

Rationale: Athletics training tables are expensive and isolate student-athletes from regular campus life. Athletics departments would be permitted to pay for the extra cost of late-meal service at the institution's regular student dining facility or to give student-athletes a meal allowance on those occasions when practice or contest schedules result in missed meals. Institutions would not be permitted, however, to operate a training table separate from regular student facilities.

[NOTE: The committee also expressed its support for 1900 NCAA Convention Resolution No. 30-A to reduce time demands in all sports other than football and basketball. The committee, however, declined to establish any limitations regarding the length of playing and practice seasons and number of contests in such sports at this time, inasmuch as these issues currently are being reviewed by the Presidents Commission and Council.]

PART THREE -- Financial Aid

Reducing by 10 percent the ~~maximum~~ number of financial aid grants an institution may award to student-athletes in all sports. [NOTE: The committee noted that the 10 percent reduction in equivalency sports would be computed to the nearest one-tenth of a grant. Further, a reduction in head-count sports that results in a reduction of less than one-half of a grant would be rounded upwards while a reduction that results in one-half or more of a grant would be rounded downwards. Such a practice would result in the following reductions in head-count sports:

1463

REPORT OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 7

	<u>Current Limitations</u>	<u>Proposed Limitations</u>
Men's Basketball	15	13
Women's Basketball	15	13
Football	95	85
Women's Gymnastics	10	9
Women's Tennis	8	7
Women's Volleyball	12	11

Rationale: The committee considered a need-based system of financial aid for student-athletes. Because financial aid for all but the neediest student-athletes would be reduced under a need-based system, most institutions would save money; however, these savings would be offset by administrative problems and possible abuse. Since recruiting currently precedes any determination of need, coaches could not offer specific financial aid packages with any degree of certainty. To establish some measure of consistency, a system would have to be created by which to make "preliminary" determinations of need, at substantial financial and administrative costs. This system, in turn, would place financial aid administrators under increased pressure to calculate favorable "preliminary" need estimates. For these reasons, the committee rejected a need-based-aid concept and opted for across-the-board reductions in financial aid limitations by sport. These reductions would result in substantial cost savings without increasing administrative burdens or opportunities for abuse in the packaging of such aid.

PART FOUR -- Division III Recommendations

1. Establishing September 6 as the first date in which a Division III institution may conduct a football contest or scrimmage.
2. Reducing the number of preseason and football practice opportunities from 29 to 27.

Rationale: Housing and feeding football teams who come to campus prior to the start of classes for the regular fall term is a considerable expense. By establishing September 6 as the earliest date an institution may participate in its first football contest and limiting football to no more than 27 practice opportunities prior to its first contest, institutions that begin their first academic term in August and early September will significantly reduce the extra room-and-board expenses for preseason practice.

3. Establishing September 1 or the first day of class, whichever is earlier, as the first date in which an institution may conduct practice sessions in all other sports.

Rationale: This restriction will eliminate the cost of assembling teams (in all sports other than football) to campus prior to the start of classes.

1464

REPORT OF THE SPECIAL COMMITTEE ON COST REDUCTION
Page No. 8

4. Placing a limitation on the number of contests and dates of competition in each sport (see Attachment No. 2).

Rationale: The proposed reductions in the number of permissible contests and dates of competition in each sport will significantly reduce travel expenses and costs associated with conducting events.

The National Collegiate Athletic Association
March 28, 1990 SAM:ssa

1465

ATTACHMENT NO. 1

PROPOSED COACHING LIMITATIONS

The following chart reflects the committee's recommendations for proposed coaching limitations in each sport. A countable coach is any individual who participates (in any manner) in the coaching of the intercollegiate team in practice, games or organized activities directly related to that sport, including any organized staff activity or team meeting directly related to the sport. Undergraduate student coaches and athletics department staff members who perform department-wide responsibilities (e.g., recruiting coordinator, academic counselors, weight and strength coach) shall be excluded from the limitations on the number of coaches in any one sport.

A head or assistant coach is any coach who is designated by the institution's athletics department to perform coaching duties and who serves in that capacity on a volunteer or paid basis with no limitations on earnings. A restricted earnings coach is any coach who is designated by the institution's athletics department to perform coaching duties and serves in that capacity on a volunteer or paid basis with the following limitations on earnings derived from the member institution:

1. During the academic year, a restricted earnings coach may receive compensation or remuneration from the institution's athletics department that is not in excess of the value of a full grant-in-aid at that institution, based on the amount of a full nonresidence undergraduate or graduate tuition and fees grant-in-aid (whichever is higher).
2. During the summer, a restricted earnings coach may receive compensation or remuneration from the institution's athletics department or from camps or clinics owned or operated by institutional employees that is not in excess of the amount of a full grant-in-aid at that institution for the previous academic year, based on full nonresident undergraduate or graduate tuition and fees (whichever is higher). A coach who is employed at another member institution's summer camp may not receive compensation or remuneration that exceeds the amount of a full grant at that institution for the previous academic year, based on the full non-residence undergraduate or graduate tuition and fees (whichever is higher).
3. During the summer or the academic year, the restricted earnings coach may receive compensation for performing duties from another department or office of the institution, provided: (a) the compensation received for those duties outside the athletics department is commensurate with that received by others performing those same or similar assignments; (b) the ratio of compensation received for coaching duties and any other duties is directly proportionate to the amount of time devoted to the two areas of assignment, and (c) the individual actually is qualified for and is performing the duties outside the athletics department for which the individual is compensated.

Sport	Head or Assistant* Coach	Restricted Earnings Coach
Baseball	2	1
Basketball, Men	3	1
Basketball, Women	3	1
Fencing, Men	1	1
Fencing, Women	1	1

1466

PROPOSED COACHING LIMITATIONS
Page No. 2

Sport	Head or Assistant* Coach	Restricted Earnings Coach
Field Hockey	2	1
Football, I-A	9	3
Football, I-AA	7	2
Golf, Men	1	1
Golf, Women	1	1
Gymnastics, Men	2	1
Gymnastics, Women	2	1
Ice Hockey	2	1
Lacrosse, Men	2	1
Lacrosse, Women	2	1
Rifle, Men	1	1
Rifle, Women	1	1
Skiing, Men	1	1
Skiing, Women	1	1
Soccer, Men	1	1
Soccer, Women	1	1
Softball, Women	2	1
Swimming, Men	1	1
Swimming & Diving, Men	2	1
Swimming, Women	1	1
Swimming & Diving, Women	2	1
Tennis, Men	1	1
Tennis, Women	1	1
Cross Country, Men (w/o Track)	1	1
Track & Field, Men	1	1
Cross Country/Track & Field, Men	2	1
Cross Country, Women (w/o Track)	1	1
Track & Field, Women	1	1
Cross Country/Track & Field, Women	2	1
Volleyball, Men	2	1
Volleyball, Women	2	1
Water Polo, Men	1	1
Wrestling	1	1

- * Off-campus recruiting is limited to the head or assistant coach unless the sport is limited to one head or assistant coach.

[NOTE: A waiver possibility shall exist for Title IX considerations if an institution wishes to exceed the coaching limitations in the restricted earnings category. The effective date of this proposal shall be August 1, 1992. There shall be extensions granted for those staff members who have signed contracts as of January 1, 1990 (shouldn't this be subsequent to the 1991 Convention if adopted?). Such contracts should be mailed to the national office to be reviewed by the Association's legal counsel.

The National Collegiate Athletic Association
March 27, 1990 SAM:ssa

1467

ATTACHMENT NO. 2

The maximum number of contests and dates of competition should be revised as follows:

<u>Sport</u>	<u>Current Maximum Contests</u>	<u>Current Maximum Dates of Competition</u>	<u>Proposed Maximum Contests</u>	<u>Proposed Maximum Dates of Competition</u>
Baseball				
Overall	50		46	
Traditional Segment	40		36	
Basketball	26		23	
+ Two Scrimmages	2 S.		2 S.	
Cross Country		9		8
Fencing		12		11
Field Hockey		19		17
Football	11 (Maximum	of 10 games)	10	
Golf		22		20
Gymnastics		15		14
Ice Hockey	28		25	
Lacrosse		19		17
Rifle		14		13
Skiing		18		16
Soccer				
Traditional Segment	22		20	
Nontraditional Segment		6	5	
Softball				
Overall	50		46	
Traditional Segment	40		36	
Swimming		18		16
Tennis				
Overall		24	22	22
Individual Singles and/or				
Doubles Tournaments		4		3
Track (Indoor and Outdoor)		22		20
Volleyball				
Traditional Segment		24		22
Nontraditional Segment		6		5
Water Polo		23		21
Wrestling		20		18

The National Collegiate Athletic Association
March 7, 1990 SAM:ssa

1468